STATEMENT

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CONCERNING:

S. 2593, the Forest Landscape Restoration Act of 2008

Thank you for the opportunity today to provide the Forest Service's view on S. 2593, a bill that would provide for the establishment of a program to carry out collaborative ecological restoration treatments on priority forest landscapes. We support the intent of the bill to work on a landscape scale, to integrate the best available science, and to implement proposals through a collaborative process. As reflected by the inclusion of an ecosystems demonstration legislative proposal within the President's FY 2009 Budget and much of our current work, we share this goal. The Administration's ecosystem demonstration proposal would expand our ability to bring new partners together with the Forest Service on landscape-scale projects that restore forests through market-oriented approaches to stewardship of national forests.

Both the President's proposal and S. 2593 reflect a collaborative approach that builds commitment to partnership and ownership of the results. Each would help different groups find their common interests and leverages resources to get work done. Although the Forest Service has been carrying out restoration work across landscapes under current authorities, S. 2593 would enhance our current efforts by helping prioritize landscape-level restoration work. In my testimony, I will give some background on our current efforts in landscape-level work and make some general comments on the bill.

We believe there is a need for action to restore the health of many of the Nation's forests and rangelands. On the one hand, some of our forests and grasslands have adapted to natural disturbance regimes. On the other hand, many areas across the Nation are experiencing extended droughts, reduced snow packs, damaging storm events, and other environmental stressors. The presence of large amounts of hazardous forest and rangeland fuels poses a risk of catastrophic wildfire that threatens other public and private land and natural resources and communities. Millions of acres of forest and rangeland ecosystems are under attack from native insects, such as bark beetles as well as non-native invasive species. For example between 2000-2004, trees were killed on approximately 27.1 million acres in the Western States from a combination of factors. These diverse threats affect aquatic and terrestrial ecosystems in virtually every region of the country.

Current Efforts

We believe that hazardous fuels treatment and other forest management approaches, such as forest thinning projects can help mitigate these risks, restore healthy forest conditions, and increase the ability of our Nation's forests and grasslands to adapt to ecological shifts associated with climate change. The Forest Service has taken several actions to accomplish these objectives, for example:

Forest Restoration Framework and Policy. The Forest Service has completed a strategic, science-based framework for restoring and maintaining forest and grassland ecological conditions titled the "Ecosystem Restoration Framework." The framework looks at the development of an integrated agency-wide forest restoration policy to promote ecosystem restoration and efforts to integrate this work across all functional areas of the agency. The framework also considers integration of ecosystem restoration into our national strategic, forest land and resource management plans, and project plans; and use of incentives to increase accomplishment of restoration objectives.

The framework will address policy factors such as requirements to plan, implement, monitor, and evaluate ecological restoration activities in consideration of current and future desired conditions and the potential for future changes in environmental conditions, including climate change. Our policy will provide consistent guidance to all of our field units; communicate our intention to increase emphasis on operating at a landscape scale, and our expectation to accelerate collaborative restoration work. The policy is under development and is expected to be released within the near future.

Stewardship Contracting as a Tool to Accomplish Restoration. The Forest Service has been actively using stewardship contracts, part of the Healthy Forests Initiative, to advance hazardous fuels reduction and other forest restoration treatments in priority areas. Last year, we completed an assessment of our progress on implementing stewardship contracting, and we are working to expand our use of stewardship contracting. We believe that stewardship contracting is an effective tool to implement the landscape restoration proposals under this bill, and we think that the authority to enter into the contracts should be made permanent. Several projects stand out as examples of this tool's capability.

- The *White Mountain Stewardship Contract* on the Apache-Sitgreaves National Forests in Springerville, Arizona is the largest stewardship contract in the nation. This contract has a 10-year term to treat 15,000 acres per year for a total of about 150,000 acres, and it is entering its fourth year. The project was designed and is being carried out through a collaboration of various state and local governments, representatives of local forest products industry, and special interest groups. The goals of this effort are to restore forest health, reduce the risk of fire to communities, reduce the cost of forest thinning, support local economies, and encourage new wood product industries and uses for the thinned wood fiber.

Removal of saw timber is offsetting the cost of fuels treatments and improvements to forest health. In addition, the project will partially supply material to the Renegy Biomass Plant (25 megawatt) in Snowflake, AZ.

- In Alamogordo, New Mexico, the Lincoln National Forest and the Mescalero Apache Tribe signed the *16 Springs Stewardship Project* under the authority of the Tribal Forest Protection Act (TFPA, Public Law 108-248). This is the first stewardship contract under the TFPA authority, which permits the Federal government to enter into contracts and agreements with American Indian Tribes for work on public lands bordering on or adjacent to tribal lands. The 6-year contract involves 15,000 treatment acres (half with commercial timber harvest and service work, half with service work only). The service work primarily consists of thinning and fuel treatments. The project is designed to reduce the threat of wildfire and forest disease spread from public lands to Tribal land. The project will contribute to the central priority of restoration of fire-adapted ecosystems by reducing intensities of wildfires, especially in Wildland-Urban Interface (WUI) as identified under the Otero County Community Wildfire Protection Plan, sanctioned by the Otero County Working Group. Furthermore, the project will restore natural ecologic processes across a range of forest types, provide forest products to the local community, and enhance watershed conditions. The full implementation of this contract will reduce the threat of damaging wildfire to national forest system, private, and tribal lands.

- The *Sustained Yield Restoration Stewardship Contract* on the Fremont-Winema National Forest in Lakeview, Oregon is a contract with a 10-year term that we anticipate will treat about 3,000 acres per year for a total of about 30,000 acres. This project will reduce the risk of catastrophic fire and restore watershed conditions. The goals of the project are to sustain and restore a healthy and resilient forest ecosystem that can accommodate human and natural disturbances, to sustain and restore the capacity to absorb, store, and distribute quality water, and to enhance opportunities for people to realize spiritual, and recreational values on the forest. The forest thinning treatments will yield sawlogs and biomass. The biomass from this contract will provide a portion of the material necessary to produce electric energy in the planned $20-million Lakeview Biomass Plant. Once this plant is operational, it is expected to annually produce about 13 megawatts of renewable energy. The project is an outgrowth of a 20-year Memorandum of Understanding signed by The Collins Companies, Marubeni Sustainable Energy, Lake County Resources Initiative, Oregon Department of Forestry, Lake County, Town of Lakeview, City of Paisley, the BLM, and the Forest Service.

- The *Front Range Stewardship Contract* is located on the Pike, San Isabel, Arapaho, and Roosevelt National Forests in Colorado and is a contract with a 10-year term that should treat about 4,000 acres per year for a total of about 40,000 acres. This contract will involve the harvest of saw timber, treatment of non-saw timber, biomass and slash and will create fuel modification zones, fuelbreaks and

fireline construction. The project is designed to provide hazardous fuel reduction, forest restoration, watershed enhancements, and related services. The initiative is the outcome of the Front Range Roundtable, a diverse group of stakeholders that has worked together since 2003 to develop a long-term vision and roadmap for achieving comprehensive fire risk mitigation and forest health goals in the ten counties comprising Colorado's Front Range. Through intense ecological analyses, the Roundtable identified over 1.5 million acres along the Front Range in need of treatment to reduce the risks of wildfire to communities and restore forests to sound ecological health.

- The *Francis Marion Biomass Removal Stewardship Project* on the Francis Marion National Forest in Cordesville, South Carolina offered two multi-year contracts to treat approximately 2,000 acres per year for 5 years for a total of 10,000 acres. The primary objectives are to reduce fire hazard and improve the forest health of dense stands of young loblolly pine that established following Hurricane Hugo of 1989. The contracts have stimulated a biomass chip market that supplements the energy needs of local users for power generation. The biomass chip value offsets the cost of pre-commercial thinning and has realized a major savings for the Forest. These contracts have resulted in stand treatment costs dropping by about 50 percent. The project sprung from a collaboration of Santee Cooper Power and Electric Company, South Carolina Forestry Commission, the Native Plant Society and the South Carolina Coastal Conservation League, and several local fire departments from communities adjoining the Forest.

Many of the successes in our use of stewardship contracting are a direct result of the development and implementation of projects through collaborative partnerships with groups of diverse interests.

Open Space Strategy. In December of 2007, we announced the release of the "Forest Service Open Space Strategy." Healthy ecosystems require maintenance as well as restoration. The loss of open space threatens the sustainability of the Nation's forests and grasslands. We lose approximately 6,000 acres of open space to development or land conversion each day across the United States. Land development is outpacing population growth, especially in rural areas where the trend is low density, dispersed development. The new Forest Service strategy provides a framework for working with others to conserve open space. It emphasizes collaborative approaches and partnerships to conserve ecologically and socially important forests, grasslands, ranches, and urban green spaces. These important lands provide vital ecosystem services and benefits for society, such as clean air, abundant water, connected fish and wildlife habitat, scenic beauty, outdoor recreation, and renewable resource products.

Landscape Research. Forest Service Research and Development provides long-term research, scientific knowledge, and tools that can be used to manage, restore, and conserve forests and rangelands. Forest Service research-based information relevant to this bill includes social science on collaborative planning that can help managers plan and

carry out projects. Also, we are responsible for the Nation's Forest Census, known as the Forest Inventory and Analysis program. Research information is essential for understanding effects and management options for multiple stressors on ecosystems, such as drought, invasive species, fire, and air pollution and loss of open space. Other relevant research under way addresses how biomass utilization can help reduce fire impacts by reducing fuel loads. Additionally, there is ongoing research on costs of fire suppression and various fuels treatment that will be available for managers' use.

Ecosystem Services: A More Inclusive Path Forward to Obtaining Forest Benefits

Our country and those elsewhere are becoming increasingly aware of the importance of healthy forest ecosystems as ecological life-support systems. As you know, healthy forests provide strong economies and jobs, but also yield other goods and services that are vital to human health and livelihood – natural assets we call ecosystem services. Many of these goods and services are traditionally viewed as free benefits to society, or "public goods" - wildlife habitat and diversity, watershed services, carbon storage, and scenic landscapes, for example. Recognizing forest ecosystems as natural assets with economic and social value can help promote conservation and more responsible decision-making.

The President's FY 2009 Budget reflects a commitment to the expanded thinking about ecosystem services and recognition of other values that flow from healthy ecosystems. The Budget's proposal would bring new partners together with the Forest Service in a broad effort to advance stewardship on national forest lands in landscape-scale projects that address a full range of ecosystem services. Restoring ecosystem function through projects such as hazardous fuels reduction lets local interests invest in local projects to their own benefit with an assurance of the outcomes of that investment. Here are some of the highlights of this proposal:

- The Forest Service would have the authority to implement up to five Ecosystem Services Demonstration Projects with partners to restore, enhance, or protect ecosystem functions on National Forest System lands.

- Outcomes from these projects will demonstrate the value of clean water, carbon sequestration, and other critical services that forests provide.

- The ecosystem services provided by these projects will be identified and measured through applied research, providing valuable information to potential and emerging markets.

- These projects will benefit the Forest Service and a partner, defined as either a State, political subdivision of a State, Indian tribe, or non-profit organization.

- The projects will be expanded or accelerated using the funds or services provided by a partner. Partnering entities could carry out the project for the agency,

provide funds for project implementation up to a total of $10 million for all projects, or provide a combination of funds and services.

- Each project will be consistent with applicable land and resource management plans and will comply with environmental laws and regulations.

- All ecosystem service benefits that accrue from these projects will remain public.

S. 2593, the Forest Landscape Restoration Act of 2008

As does the ecosystem services proposal, S. 2593 would provide an additional tool for restoration consistent with current efforts. Projects would be created collaboratively and be part of a system that is evaluated on a landscape scale. In particular, this could be helpful for developing comprehensive management options that address issues related to climate change. I would like to now turn to the bill language.

Section 3. Definitions. We believe a definition of the term "restoration" would be useful and should focus on restoration of healthy, sustainable, productive ecosystems for the future, as opposed to a return to a historic condition. We would like to work with the Committee on the definition.

Section 4. Collaborative Forest Landscape Restoration Program. Section 4(a) would require the Secretary, in consultation with the Secretary of the Interior, to establish a program to select and fund ecological restoration treatments for priority forest landscapes. Section 4(b) sets out criteria that ecological restoration proposals under the program would be required to meet in order to be eligible for nomination. Requirements include a landscape restoration strategy that identifies and prioritizes treatments for a 10-year period across a landscape that is at least 50,000 acres, and is comprised of primarily forested National Forest System lands, but may also include other Federal, State, tribal, or private land. The restoration proposal would be required to be developed and implemented through a collaborative process. It must include an analysis that estimates the anticipated cost savings resulting from reduced wildfire management costs, and decreases the unit costs of implementing ecological restoration treatments over time. Additionally, the restoration proposal must include an estimate of the amount of new non-Federal investment that would be leveraged by Federal funding for restoration treatments, though non-Federal investments are not affirmatively required.

We support the intent of the bill to work on a landscape scale, to integrate the best available science, and to implement proposals through a collaborative process. We already use criteria to support resource allocation in priority treatment areas regarding hazardous fuels. However, we suggest the Administration's ecosystem services proposal provides for a broader suite of actions beyond hazardous fuels alone, but are willing to work with the Committee on technical aspects of the eligibility criteria in the bill.

Section 4(c) sets out a nomination process that would require submission of proposals to Regional Foresters for consideration. As part of the nomination process,

Section 4(c)(3)(B) would require the Regional Forester to obtain concurrence from the Secretary of the Interior if actions under the jurisdiction of Interior are proposed.

Section 4(d) would establish the process for selecting the collaborative forest landscape restoration proposals, which would require consultation with the Secretary of the Interior even for proposals that do not affect lands administered by the Interior Secretary. We would like to work with the Committee to modify this provision to require consultation only when lands administered by the Secretary of the Interior are part of the proposal.

Section 4(f) would establish the Collaborative Forest Restoration Fund that could be used to pay up to 50 percent of the cost for carrying out proposals for ecological restoration treatments on National Forest System lands. The bill provides for authorization of up to 40 million dollars to the Fund for each fiscal year 2008 through 2018. No more than 10 proposals could be funded during any given year, nor could more than 2 proposals be funded in any 1 region during a given year. Under section 4(f)(3) amounts appropriated from the general fund of the Treasury would be invested in interest bearing securities of the United States. The Administration objects to this provision. Amounts available for investment should be limited to funds collected from the public and not to funds appropriated from the General Fund which are not made subject to the appropriations process. We are also concerned that amounts appropriated to the Fund may result in a decrease of amounts appropriated for other high priority work and that there is no requirement for matching of non-Federal monies for projects that occur on non-Federal lands.

Section 4(g) would establish program implementation and monitoring requirements. Section 4(g)(1) would require the creation of an implementation work plan that includes a description of the landscape restoration proposal, a business plan, and documentation of the non-Federal investment in the priority landscape. Section 4(g)(4) would require the Secretary, in collaboration with the Secretary of the Interior, to use a multi-party monitoring, evaluation, and accountability process to access the ecological, social, and economic effects of each forest landscape restoration project. We are concerned that, in practice, the implementation of the bill may be administratively burdensome. Also, it is not clear when environmental analysis would be required. However, we would be happy to work with the Committee on clarifying language and to make any necessary administrative changes to the bill.

We support landscape level planning, projects implemented cooperatively, and monitoring of performance. We recommend replacing "multi-party monitoring" with science-based" monitoring. This bill would provide the opportunity to use a network of landscape level projects to conduct coordinated research on key questions, such as effects of treatments on soil, water, fire hazard, wildlife, insect and disease, and economics. A well designed system of science-based monitoring at the appropriate scale, combined with a well-designed set of landscape treatments, would provide valuable information about the effects and effectiveness of large landscape treatments over time across a number of different types of ecosystems. The results of the monitoring would improve

information for managers providing a network of standard measures of effectiveness and effects of landscape restoration.

Conclusion

Mr. Chairman, the Forest Service is committed to working with Congress and various stakeholders to protect communities and people and to work collaboratively to restore healthy ecological conditions on lands of all ownerships that have undergone many changes. We believe that the actions we are currently taking will be enhanced by various provisions of S. 2593, particularly if combined with the provisions of our ecosystem services demonstration project legislative proposal. Together they will provide the Forest Service some important tools we need to do work to restore our Nation's forests and grasslands to a condition so they can better resist disease, insects, and catastrophic fire.

We recognize and appreciate the time spent by the Committee to develop a bipartisan constructive approach to carrying out collaborative ecosystem restoration of priority forest landscapes. We look forward to the opportunity to work with the Committee to explore the establishment of an ecosystem services authority and to make technical amendments to clarify and strengthen the bill. I will be glad to answer any questions you may have.